

**LABOR CABINET**  
**Department of Workers' Claims**  
**(Amendment)**

**803 KAR 25:170. Filing of claims information with the Office of Workers' Claims.**

RELATES TO: KRS 342.038, 342.039

STATUTORY AUTHORITY: KRS 342.039

NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.039 requires the Commissioner [~~Executive Director~~] of the Department [~~Office~~] of Workers' Claims to promulgate administrative regulations by which each insurance company writing workers' compensation policies in the Commonwealth, every group of self-insurers, and each employer carrying its own risk shall file detailed claim information contained in the model regulation developed by the National Association of Insurance Commissioners (NAIC) in conjunction with the International Association of Industrial Accident Boards and Commissions (IAIABC). This administrative regulation establishes the requirements for filing claims information with the Department [~~Office~~] of Workers' Claims.

Section 1. Definitions. (1) "Carrier" is defined in KRS 342.0011(6).[

~~(2) "Data collection agent" means a business or entity that keys information in an electronic format and transmits the resulting data to a value added network used by the Office of Workers' Claims.]~~

~~(2)[(3)] "Commissioner" ["Executive director"] is defined in KRS 342.0011(9).~~

~~(3) "Vendor" means an entity that transcribes information into an electronic format, accepts electronic data transmissions, and sorts the resulting data for delivery to and from the Department of Workers' Claims.]~~

~~(4) "Value added network" means a business or entity that accepts electronic data transmissions and sorts the transmissions for delivery to various addressees.]~~

Section 2. Reporting Requirements. (1) Each carrier shall file the information required on the Form IA-1 through [~~with~~] a vendor approved [~~data collection agent or a value added network designated~~] by the Department [~~Office~~] of Workers' Claims, in electronic format, according to the time periods prescribed by KRS 342.038.

(2) Each carrier shall file the information required on the Form IA-2 through [~~with~~] a vendor approved [~~data collection agent or a value added network designated~~] by the Department [~~Office~~] of Workers' Claims, in electronic format:

(a) As soon as practicable and not later than one (1) week from the date payments to an employee are commenced, terminated, changed, or resumed; and

(b) Every sixty (60) days during temporary total disability.

Section 3. Vendors. The Department of Workers' Claims shall maintain a directory of approved vendors. The directory may be accessed at <https://labor.ky.gov/Documents/VendorList%20Info.pdf>. [~~Data Collection Agents. (1) If a carrier is unable to transmit the information required under this Office of Workers' Claims using its own facilities and resources, it shall employ a data collection agent capable of transmitting the information to a value added network utilized by the Office of Workers' Claims.~~

~~(2) The Office of Workers' Claims shall maintain a directory of authorized data collection agents and value-added networks. The directory may be accessed at <http://labor.ky.gov/dwc/getstart.htm>.]~~

Section 4. Acknowledgements. An acknowledgement of an accepted filing made pursuant to this administrative regulation, or a request by the Department [Office] of Workers' Claims for resubmission of a report due to incomplete or incorrect information, shall be made in electronic format through the same vendor [~~data collection agent or value added network~~] used for the filing.

Section 5. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) Form IA-1 (October 10, 1995 edition); and

(b) Form IA-2 (October 10, 1995 edition).

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department [Office] of Workers' Claims, Mayo-Underwood Building, 3<sup>rd</sup> Floor, 500 Mero Street, [~~Prevention Park, 657 Chamberlain Avenue~~], Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

This is to certify that the commissioner has reviewed and recommended this administrative regulation prior to its adoption, as required by KRS 342.260 and 342.035.

ROBERT L. SWISHER, Commissioner

APPROVED BY AGENCY: October 19, 2020

FILED WITH LRC: October 21, 2020 at 8:00 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on January 22, 2021, at 10:00 a.m. (EDT) by video teleconference pursuant to KRS 61.800, et seq. In keeping with KRS 13A.270, individuals interested in attending or being heard at this hearing shall notify this agency in writing of their intent to attend no later than five (5) workdays prior to the hearing along with contact information. Upon notification of intent to attend, individuals will be provided information necessary to attend the video teleconference. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person

CONTACT PERSON: B. Dale Hamblin, Jr., Assistant General Counsel, Department of Workers' Claims, Mayo-Underwood Building, 3rd Floor, 500 Mero Street, Frankfort, Kentucky 40601, phone: (502) 782-4404, fax (502) 564-0681, email Dale.Hamblin@ky.gov.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact person: B. Dale Hamblin, Jr

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the requirements for filing claims information with the Department of Workers' Claims.

(b) The necessity of this administrative regulation: Amendment to this administrative regulation is necessary to comply with subsequent technological changes.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 342.039 requires the commissioner to promulgate administrative regulations by which each insurance company writing workers' compensation policies in the Commonwealth, every group of self-insurers, and each employer carrying its own risk shall file detailed claim information contained in the model regulation developed by the National Association of Insurance Commissioners (NAIC) in conjunction with the International Association of Industrial Accident Boards and Commissions (IAIABC).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the mechanism for filing required claim information with the Department of Workers' Claims.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment establishes the currently accepted methodology for reporting claims information.

(b) The necessity of the amendment to this administrative regulation: The current language does not comply with current industry practices.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment updates language to comply with the current methodology for reporting required claims information.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation provides guidance to those required to report claims information to the Department of Workers' Claims.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Insurance companies writing workers' compensation policies in the Commonwealth, group of self-insurers, and employers carrying their own risk.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The entities will report through a vendor rather than a value added network.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no additional cost.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The entities will be able to properly report claims information.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: None

(b) On a continuing basis: There should be no additional cost.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department of Workers' Claims normal budget is the source of funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is needed to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? Tiering is not applied; the administrative regulation applies to all parties equally.

#### FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Workers' Claims and all agencies or departments of government with employees.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 342.038; 342.039

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. There should be no direct effect on expenditures.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue will be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue will be generated.

(c) How much will it cost to administer this program for the first year? None

(d) How much will it cost to administer this program for subsequent years? It does not appear there will be additional costs.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: There should be no increase or decrease in the cost to administer this amendment.